

Comments of MCI WORLDCOM, Inc.
October 13, 1999

ORIGINAL DOCKET FILE COPY ORIGINAL

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

RECEIVED

OCT 13 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matters of)	
)	
Implementation of the)	CC Docket No. <u>96-115</u>
Telecommunications Act of 1996:)	
)	
Telecommunications Carriers' Use)	
of Customer Proprietary Network)	
Information and Other)	
Customer Information)	
)	
Implementation of the Local Competition)	
Provisions of the Telecommunications Act)	CC Docket No. 96-98
of 1996)	
)	
Provision of Directory Listing Information)	
under the Telecommunications Act of 1934,)	CC Docket No. 99-273
As Amended)	

**MCI WORLDCOM'S COMMENTS IN RESPONSE TO
THE FCC'S NOTICE OF PROPOSED RULEMAKING
IN DOCKET NO. 99-273**

MCI WORLDCOM, Inc.

J. Carl Wilson
Lisa B. Smith
Mary Brown
1801 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 887-2828

Its Attorneys

October 13, 1999

No. of Copies rec'd 044
List ABCDE

TABLE OF CONTENTS

	Page
Summary	ii
Introduction	1
Discussion	2
Conclusion	10
EXHIBITS	

SUMMARY

In its above-captioned Notice of Proposed Rulemaking ("*NPRM*") in CC Docket No. 99-273, the Commission raised certain issues arising out of the interplay between section 222(e) of the Communications Act of 1934, as amended (the "Act"), and section 251(b)(3). Those issues regard, generally: (1) the relationship between "directory publishing" and "directory assistance;" and (2) access to non-local directory assistance listings. By this pleading, MCI WORLDCOM, Inc. ("MCIW") offers comment in response to several of the Commission's *NPRM* queries, each of which was prepared by MCIW for the purpose of advancing the Commission's goal of promoting competition in the directory assistance and directory publishing markets. Specifically, MCIW hereby comments on the following issues:

1 Whether section 251(b)(3) authorizes the provision of nondiscriminatory access to directory assistance to directory assistance providers that do not themselves provide either telephone exchange service or telephone toll service. (*NPRM* at ¶ 184);

2 Whether a non-carrier directory assistance provider is entitled to nondiscriminatory access to directory assistance under section 251(b)(3) when that provider is an agent of a LEC or other carrier that qualifies for the benefits of section 251(b)(3). (*NPRM* at ¶ 184); and

3 In the event that the Commission concludes that Internet directories fall within the scope of section 222(e), whether carriers should be precluded from imposing on requesting directory publishers rates, terms and conditions for subscriber list information obtained to publish Internet directories that differ from the rates, terms and conditions the carrier imposes for subscriber list information obtained to publish other directories. (*NPRM* at ¶ 176).

4 Whether the requirement in section 251(b)(3) that a providing LEC must provide "nondiscriminatory access" to directory assistance similarly obligates such LECs to provide directory assistance to requesting carriers at the same rates, terms and conditions that the LECs provide to themselves. (*NPRM* at ¶ 187).

5 Whether there are other alternatives for ensuring that the prices at which LECs

provide access to directory assistance will be nondiscriminatory. (*NPRM* at ¶ 187).

6 Whether an entity that obtains directory assistance data pursuant to section 251(b)(3) may use them for directory publishing or other purposes. (*NPRM* at ¶¶ 179, 181 and 186).

7 Whether the provision of access to an Internet directory through a web site constitutes the provision of directory assistance within the meaning of section 251(b)(3). (*NPRM* at ¶ 178).

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matters of)	
)	
Implementation of the)	CC Docket No. 96-115
Telecommunications Act of 1996:)	
)	
Telecommunications Carriers' Use)	
of Customer Proprietary Network)	
Information and Other)	
Customer Information)	
)	
Implementation of the Local Competition)	
Provisions of the Telecommunications Act)	CC Docket No. 96-98
of 1996)	
)	
Provision of Directory Listing Information)	
under the Telecommunications Act of 1934,)	CC Docket No. 99-273
As Amended)	

**MCI WORLDCOM'S COMMENTS IN RESPONSE TO
THE FCC'S NOTICE OF PROPOSED RULEMAKING
IN DOCKET NO. 99-273**

MCI WORLDCOM, Inc. ("MCIW"), by the undersigned, hereby submits the following comments in response to the Federal Communication Commission's (the "Commission" or "FCC") Notice of Proposed Rule Making ("*NPRM*"), released September 9, 1999 in the above-captioned docket.

INTRODUCTION

In its *NPRM* in CC Docket No. 99-273, the Commission addressed certain issues arising

out of the interplay between section 222(e) of the Communications Act of 1934, as amended (the “Act”), and section 251(b)(3). Specifically, the Commission invited comment on, *inter alia*, the following issues:

- I. Whether section 251(b)(3) authorizes the provision of nondiscriminatory access to directory assistance to directory assistance providers that do not themselves provide either telephone exchange service or telephone toll service. (*NPRM* at ¶ 184);
- II. Whether a non-carrier directory assistance provider is entitled to nondiscriminatory access to directory assistance under section 251(b)(3) when that provider is an agent of a LEC or other carrier that qualifies for the benefits of section 251(b)(3). (*NPRM* at ¶ 184); and
- III. In the event that the Commission concludes that Internet directories fall within the scope of section 222(e), whether carriers should be precluded from imposing on requesting directory publishers rates, terms and conditions for subscriber list information obtained to publish Internet directories that differ from the rates, terms and conditions the carrier imposes for subscriber list information obtained to publish other directories. (*NPRM* at ¶ 176).
- IV. Whether the requirement in section 251(b)(3) that a providing LEC must provide “nondiscriminatory access” to directory assistance similarly obligates such LECs to provide directory assistance to requesting carriers at the same rates, terms and conditions that the LECs provide to themselves. (*NPRM* at ¶ 187).
- V. Whether there are other alternatives for ensuring that the prices at which LECs provide access to directory assistance will be nondiscriminatory. (*NPRM* at ¶ 187).
- VI. Whether an entity that obtains directory assistance data pursuant to section 251(b)(3) may use them for directory publishing or other purposes. (*NPRM* at ¶¶ 179, 181 and 186).
- VII. Whether the provision of access to an Internet directory through a web site constitutes the provision of directory assistance within the meaning of section 251(b)(3). (*NPRM* at ¶ 178).

MCIW responds to the above-referenced FCC queries as follows.

DISCUSSION

I. Section 251(b)(3) Does Not Authorize the Provision of Nondiscriminatory Access to Directory Assistance to Directory Assistance Providers That Do Not Themselves Provide Either Telephone Exchange Service or Telephone Toll Service.

The Commission, in paragraph 184 of its *NPRM*, noted that section 251(b)(3) requires local exchange providers ("LECs") to provide nondiscriminatory access to directory assistance to "competing providers of telephone exchange service and telephone toll service." The Commission, accordingly, reached the tentative conclusion that "a directory assistance provider that provides neither telephone exchange service nor telephone toll service does not fall within the class of entities that are entitled to the benefits of [section 251(b)(3)]." The Commission now seeks comment on this tentative determination. MCIW agrees with this tentative conclusion reached by the Commission.

The Commission has repeatedly held that entities that are not providers of telephone exchange or toll service are not entitled to the protection available to competing providers under section 251(b)(3). *See e.g., INFONXX, Inc. v. NYNEX*, 13 FCC Rcd. 10288, ¶¶ 11 and 12; *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Second Report and Order and Memorandum Opinion and Order*, 11 FCC Rcd. 19392, 19538 (1996) (*Second Local Competition Order*), *vacated in part sub nom. California v. FCC*, 124 F. 3d 934 (8th Cir. 1997) (stating that telecommunications carriers "that are not providers of telephone exchange service or telephone toll service [] are not covered by section 251(b)(3)"). Accordingly, the Commission should not mandate the provision of nondiscriminatory access to directory assistance to directory assistance providers that do not themselves provide either

telephone exchange service or telephone toll service. A final holding to the contrary could not be reconciled with either the plain language of section 251(b)(3) or related FCC precedent.

II. A Non-Carrier Directory Assistance Provider is Not Entitled to Nondiscriminatory Access to Directory Assistance Under Section 251(b)(3) When That Provider is an Agent of a LEC or Other Carrier That Qualifies for the Benefits of Section 251(b)(3).

With further regard to the subject tentative conclusion (discussed in Section I, above), the Commission noted that, in some cases, a non-carrier directory assistance provider may be under an agency relationship with a carrier principal. *NPRM* at ¶ 184. The Commission additionally noted that section 217 of the Act provides, in pertinent part, that “[i]n construing and enforcing the provisions of this Act, the act . . . of any officer, agent, or other person acting for or employed by any common carrier or user, acting within the scope of his employment, shall in every case be also deemed to be the act . . . of such carrier or user as well as that of the person.” 47 U.S.C. §217. In light of the cited language from section 217, the Commission, in its *NPRM*, seeks comment on the issue of whether a non-carrier directory assistance provider is entitled to nondiscriminatory access to directory assistance under section 251(b)(3) when that provider is an agent of a LEC or other carrier that qualifies for the benefits of section 251(b)(3).

MCIW avers that the answer to this FCC query is no. For the purpose of ensuring that the substantial benefits bestowed by section 251 are bestowed only upon those entities rightfully entitled to them, the Commission should require the LECs to obtain the subject directory assistance and then provide that directory assistance to its purported agent provider. By its own language, section 217 of the Act (captioned “Liability of Carriers for Acts and Omissions of Agents”) exclusively regards the determination of liability stemming from the violation of

provisions of the Act. Nothing in the language of section 217 suggests that an agency relationship between a carrier and non-carrier confers, upon the non-carrier agent, protections available to the carrier. Similarly, there is nothing in either the legislative history of section 217, or in the history of the Elkins Act, Feb. 19, 1903, c. 708, 32 Stat. 847, 49 U.S.C. §§ 41-43 (from which section 217 was copied), which suggests that section 217 may be rightfully interpreted as bestowing, upon such a non-carrier/agent, the section 251 protections afforded to carriers. This issue is easily resolved by requiring the LECs to obtain the subject directory assistance and then provide that directory assistance to its purported agent provider.

III. If the FCC Concludes that Internet Directories Fall Within the Scope of Section 222(e), Carriers Must be Precluded From Imposing, on Requesting Directory Publishers, Rates, Terms and Conditions for Subscriber List Information Obtained to Publish Internet Directories that Differ From the Rates, Terms and Conditions the Carrier Imposes for Subscriber List Information Obtained to Publish Other Directories.

In paragraph 176 of its *NPRM*, the Commission invited comment regarding the issue of whether, in the event that it concludes that Internet directories fall within the scope of section 222(e),¹ the Commission should preclude carriers from imposing, on requesting directory publishers, rates, terms and conditions for subscriber list information obtained to publish Internet directories that differ from the rates, terms and conditions the carrier imposes for subscriber list information obtained to publish other directories. MCIW suggests that the answer to this FCC

¹ Section 222(e) of the Act provides, in pertinent part, that "a telecommunications carrier that provides telephone exchange service shall provide subscriber list information gathered in its capacity as a provider of such service on a timely and unbundled basis, under nondiscriminatory and reasonable rates, terms and conditions, to any person upon request for the purpose of publishing directories in any format." 47 U.S.C. § 222(e)

query is yes. That is, under the above-referenced circumstances, carriers should be prohibited by the Commission from imposing adversely disparate rates, terms and conditions for subscriber list information, simply because the medium in which said information will be published is the Internet.

Nothing in either the Act or in the language of the Commission related orders suggests that different prices are appropriate in light of the different mediums. In fact, the Commission, in its recently released final rules, provided that “[f]or purposes of § 64.2309 [regarding the provision of subscriber list information] a telecommunications carrier provides subscriber list information under reasonable terms and conditions only if the carrier does not restrict a directory publisher’s choice of directory format.” Everyday business realities suggest that if publishers of subscriber list information via the Internet are required to pay more for their underlying listing data, they will necessarily be placed at a competitive disadvantage vis-a-vis directory publishers whose chosen medium is something other than the Internet. It is logical to assume that many businesses will, under the Commission’s hypothetical pricing scenario, decline to utilize the Internet as its directory format. Accordingly, the imposition, upon directory publishers, of adversely disparate rates, terms and conditions for subscriber list information obtained to publish Internet directories will, in effect, restrict the directory publisher’s choice of directory format.

Speaking in favor of what became section 222(e) on the floor of the United States House of Representatives, Representative Barton stated that “[s]ubscriber list information is essential to publishing directories. Carriers that charge excessive prices or set unfair conditions on listing sales deprives consumers and advertisers of cheaper, more innovative, more helpful directory

alternatives.” 142 Cong. Rec., H 1160 (daily ed. February 1, 1996) (Statement of Rep. Barton).²

The imposition, on requesting directory publishers, of rates, terms and conditions for subscriber list information obtained to publish Internet directories that differ from the rates, terms and conditions the carrier imposes for subscriber list information obtained to publish other directories would constitute excessive prices and unfair conditions on listing sales.

IV. The Requirements of Section 251(b)(3) Mandate that a Providing LEC Must Provide “Nondiscriminatory Access” to Directory Assistance Similarly Obligates Such LECs to Provide Directory Assistance to Requesting Carriers at the Same Rates, Terms and Conditions that the LECs provide to Themselves.

In paragraph 128 of its *NPRM*, the Commission noted that any standard that would allow a LEC to provide access to any competitor that is inferior to that enjoyed by the LEC itself is inconsistent with Congress’ objective of establishing competition in all telecommunications markets.³ It reasonably follows that, if LECs are allowed to provide directory assistance to requesting carriers at rates, terms and conditions greater / more burdensome than the rates, terms and conditions pursuant to which the LECs provides said access to themselves, requesting carriers will necessarily be placed at a competitive disadvantage in the marketplace. That result cannot be reconciled with the above-referenced Congressional objective. Accordingly, the Commission must conclude that the mandates of section 251(b)(3) similarly obligates such LECs

² See also H.R. Rep. No. 104-204, 104th Cong., 1st Sess. 89 (1995) (section 222(e) is “intended to ensure that persons who use subscriber information, including publishers of telephone directories unaffiliated with LECs, are able to purchase publisher or soon-to-be published subscriber listings and updates from carriers on reasonable terms and conditions.”).

³ *Local Competition Second Order and Report*, 11 FCC Rcd. 19392, 19444-45 (1996).

to provide directory assistance to requesting carriers at the same rates, terms and conditions that the LECs provide to themselves.

V. There Exists Other Alternatives for Ensuring that the Prices at Which LECs Provide Access to Directory Assistance Will be Nondiscriminatory.

In paragraph 187 of its *NPRM*, the Commission solicited comments regarding alternatives for ensuring that the prices at which LECs provide access to directory assistance will be nondiscriminatory. The Commission could further promote competition by mandating that, as an alternative to allowing LECs to charge rates deemed by themselves to be the same as those assessed to itself for the provision of directory assistance, the LECs should be required to provide directory assistance to requesting carriers on the basis of their actual costs, and not on some fabricated LEC charge that is dissimilar to the rate that the LECs charge themselves. The proffer of this alternative is inspired, in part, by various directory assistance data pricing issues confronted by MCIW.

By way of example, MCIW notes that, by correspondence dated April of 1999, MCI Telecommunications Corporation and MCImetro Access Transmission Services, Inc. requested from Southwestern Bell Telephone ("SWBT") certain directory assistance listings used by SWBT in reverse directory assistance service. In that correspondence, SWBT was further requested to provide said information pursuant to the same rates, terms and conditions as SWBT imposes on itself. In its response to MCIW, SWBT advised that it intended to comply with the subject FCC mandate, and it stated that it would provide the subject information at a rate of

\$0.0585 per listing.⁴ SWBT, however, has testified in at least one state agency docket that its total costs per directory assistance listing are \$0.0064 (initial load via tapes); \$0.0026 (daily update via tape); and \$0.0019 (daily update via electronic file transfer).⁵

The above-referenced exhibits clearly demonstrate the threat to competition that exists under circumstances whereby LECs are allowed to assess rates for access to directory assistance that are different from those that they impose on themselves. The imposition of a mandate that LECs assess said rates on the basis of their costs would eliminate such threat.

VI. An Entity that Obtains Directory Assistance Data Pursuant to Section 251 (b)(3) Should Not Be Allowed to Use Them for Directory Publishing or Other Purposes.

In paragraph 186 of its *NPRM*, the Commission asks Whether an entity that obtains directory assistance data pursuant to section 251 (b)(3) may use them for directory publishing or other purposes. MCIW suggests that the answer to this question is no. This conclusion rests, in part, on the fact that, regardless of the medium utilized, directory assistance includes non-listed and non-published information, unlike White Pages or Yellow Pages directories. The telecommunications industry has traditionally recognized and preserved the distinction between directory assistance, which is a telecommunications service, and directory publishing, which

⁴ See letter, dated May 4, 1999, from SWBT Account Manager Bob Henderson to MCIW Manager Stuart Miller. A copy of this letter is appended hereto and incorporated herein by reference.

⁵ See Direct Testimony of SWBT Area Manager Linda Robey, taken July 1, 1998 in Texas PUC Docket No. 19075. A copy of this SWBT testimony (including the related "Total Element Long Run Incremental Cost Study" conducted by SWBT) is appended hereto and incorporated herein.

must be obtained pursuant to section 222 (rather than section 251). Congress, by the Communications Act, mandated that Bell operating companies may not provide interLATA information service (other than electronic publishing) unless it does so through a separate subsidiary.⁶ Any step taken by the Commission which further erodes the distinction between directory publishing and directory assistance makes it easier for a LEC to provide the above-referenced services under the guise of directory publishing. That result would fly in the face of the Congressional objectives which underlie section 272.

VII. Whether the Provision of Access to an Internet Directory Through a Web Site Constitutes the Provision of Directory Assistance Within the Meaning of Section 251(b)(3).

MCIW would not take issue with a conclusion by the Commission that the provision of access to an Internet directory through a web site constitutes the provision of directory assistance within the meaning of section 251(b)(3). MCIW does, however, aver that such access to an Internet directory should not exclusively constitute "the provision of directory assistance." This conclusion is based, in part, on the fact that directory assistance, as an unbundled network element ("UNE"), is required to be provided "at any technically feasible point on rates, terms and conditions that are just, reasonable and nondiscriminatory" ⁷ For the purpose of facilitating the provision of directory assistance, MCIW has established efficient and reliable electronic access with every incumbent LEC, GTE and other independent carriers. That fact makes it

⁶ See 47 U.S.C. § 272(a).

⁷ 47 U.S.C. § 251(c)(3).

Comments of MCI WORLDCOM, Inc.
October 13, 1999

impossible to argue that the Internet is the only technically feasible point at which to receive said information.

CONCLUSION

For the foregoing reasons, it is respectfully suggested that the Commission should embrace the conclusions reached by MCI WORLDCOM, Inc. and fashion its rules according.

Respectfully submitted,
MCI WORLDCOM, Inc.



J. Carl Wilson, Jr.
Lisa B. Smith
1801 Pennsylvania Ave., N.W.
Washington, D.C. 20006
(202) 887-2666

October 13, 1999

Its Attorneys

Comments of MCI WORLDCOM, Inc.
October 13, 1999

ATTACHMENTS

Southwestern Bell Telephone
511 S. Akard
Four Bell Plaza, Room 600
Dallas, Texas 75202-5598



May 4, 1999

Stuart Miller
MCI Telecommunications Corporation
601 South 12th St.
Arlington, VA 22202

Re: Request for Directory Assistance Listings for Electronic Reverse Search

Dear Stuart:

This letter is in response to your April 28, 1999 request by MCI Telecommunications Corporation ("MCIT") and MCImetro Access Transmission Services, Inc. ("MCI") to purchase directory assistance listings ("DAL") used by SBC's telephone companies in reverse directory assistance service. This request includes the DAL for the four northern states served by Southwestern Bell Telephone Company ("SWBT"); California served by Pacific Bell; Nevada served by Nevada Bell; and Connecticut served by Southern New England Telephone ("SNET"). This request by MCI and MCIT cites the April 9, 1999 Memorandum Opinion and Order from the Federal Communications Commission ("FCC") regarding Nevada Bell's, Pacific Bell's and Southwestern Bell Telephone Company's ("the SBC Telcos") Petition for Forbearance from the Application of Section 272 of the Communications Act of 1934, as Amended, to Electronic Reverse Search Services. The request demands the same rates, terms and conditions as the SBC telephone companies impose on themselves for Electronic Reverse Directory Assistance.

→ The SBC Telcos intend to fully comply with the FCC's order. As MCIT and MCI are probably aware, Southwestern Bell Telephone Company (SWBT) currently uses a centralized database to provide its electronic reverse search service. As a result of the FCC's Order, SWBT intends to use its distributed directory assistance databases to provide its electronic reverse search services. That conversion is expected to occur in September 1999. We, therefore, believe our obligation pursuant to the FCC Order to provide directory listings at the same rates, terms, and conditions that we impose on our own interLATA reverse search operations will arise in September 1999 when the conversion is scheduled to take place. SWBT currently intends to charge MCI and MCIT the same rate we charge unaffiliated parties for directory assistance listings in Arkansas, Kansas, Missouri, and Oklahoma. This rate, which is currently \$0.585 per listing, will be the same rate we will impose on SWBT's own electronic interLATA reverse search operations. MCI's and MCIT's use of the directory listings will be restricted to providing electronic reverse search service - the same use SWBT is making of the listings. These are our preliminary thoughts.

→

A regulatory or court order or other circumstance could affect the above. SWBT, therefore, reserves the right to change any of the above until we make a formal offer. As you are aware, MCI-M can already purchase directory listings to provide reverse search services in Texas pursuant to the rates, terms and conditions in Docket 19075. MCIT can also take advantage of the pending directory assistance listing tariff in Texas.

As to Nevada Bell and Pacific Bell, neither Nevada Bell, nor Pacific Bell currently offer electronic reverse search services. Until Nevada Bell and Pacific Bell offer electronic reverse search services where the query to retrieve the query must cross LATA boundaries, Nevada Bell and Pacific Bell are not obligated under the FCC's Order to provide directory listing information to MCI-M and MCIT for the provision of an electronic reverse search service. If Nevada Bell or Pacific Bell do offer an electronic reverse search service where the query crosses LATA boundaries, Nevada Bell or Pacific will make the directory listings we use to provide our electronic reverse search service available to MCI-M and MCI-T on the same rates, terms, conditions, imposed on those reverse directory operations.

The SBC Telcos' petition did not include Southern New England Telephone (SNET) and the FCC's Order is not applicable to SNET. In addition, SNET is not currently offering a electronic reverse search service.

In summary, and in direct response to the three numbered questions posed in your letter, SWBT responds as follows:

(1) SWBT plans to comply fully with the FCC Memorandum Opinion and Order dated April 9, 1999 on this matter; (2) rates, terms and conditions for MCI-M's or MCIT's purchase at the time that this service is available will be the same as SWBT imposes on our own interLATA reverse search operations; and (3) until the new platform is available and a service date is known we will not be able to quote you a firm date when the directory assistance listings can be made available in bulk format at those same rates, terms and conditions for the Electronic Reverse Directory Assistance Service of either MCI-M or MCIT.

If you interpret the FCC's decision differently please set forth in writing the basis for interpretation.

Should you have further questions regarding this matter please do not hesitate to call me at 214-464-2498.

Sincerely,



Bob Henderson
Account Manager-Industry Markets

SWBT**July 1, 1998**

TABLE OF CONTENTS

DOCKET NO. 19075

SOUTHWESTERN BELL TELEPHONE COMPANY **DIRECT TESTIMONY OF LINDA L. ROBEY**

	Page(s)
1. Testimony	2-4
2. Schedule 1 -Texas 1998-2000 Directory Assistance Listing Long Run Incremental Cost Sudy	5-10
4. Schedule 2 - Texas 1998-2000 Directory Assistance Listing Total Element Long Run Incremental Cost Sudy	11-16

**DIRECT TESTIMONY
(ROBEY)****DOCKET NO. 19075****SOUTHWESTERN BELL TELEPHONE COMPANY
DIRECT TESTIMONY OF LINDA L. ROBEY**

1 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

2 **A. My name is Linda L. Robey. My business address is One Bell Center, Room 37-**
3 **W-8, St. Louis, Missouri 63101.**

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?**

5 **A. I am employed by SBC Telecommunications, Inc. as Area Manager-Product Cost**
6 **Development & Analysis.**

7 **Q. WHAT ARE YOUR RESPONSIBILITIES IN THIS POSITION?**

8 **A. As Area Manager-Product Cost Development & Analysis, I am responsible for:**

- 9 1) **supervising the implementation of cost methods that determine the costs**
10 **of providing SWBT services**
- 11 2) **supervising the production of cost studies for use in complying with**
12 **regulatory proceedings, making business and pricing decisions, and**
- 13 3) **evaluating cost study results.**

14 I have worked in the cost studies organization since October 1990. During this
15 time, I have participated in or been principally responsible for conducting
16 hundreds of cost studies for various SWBT activities, including retail services
17 and wholesale facilities. Since 1996, I have participated in the development of
18 more than 50 cost studies for facilities used by Competitive Local Exchange
19 Carriers (CLECs). These studies involved hundreds of hours of investigation,
20 evaluation, validation and review.

**DIRECT TESTIMONY
(ROBEY)**

1 Q WHAT IS YOUR EDUCATIONAL BACKGROUND?

2 A I earned a Bachelor of Arts degree in Management from Webster University. In
3 addition, I have attended numerous Company-sponsored seminars on cost
4 development, economic analysis, and related areas.

5 Q PLEASE DESCRIBE YOUR WORK EXPERIENCE?

6 A I have been employed by Southwestern Bell since 1969 and have held positions
7 in the company's Marketing, Information System and Cost Studies organizations.
8 Those positions have included customer service (Business Office), outside sales
9 responsibilities, supervising outside sales representatives, procurement of
10 telephone facilities for official use, development of an internal data/voice
11 network, performing cost studies and supervising the performing of cost studies.

12

13 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

14 A The purpose of my testimony is to present and explain the costs associated with
15 Directory Assistance Listings (DAL).

16 Q WHAT IS DAL SERVICE?

17 A DAL is a service whereby Southwestern Bell Telephone Company (SWBT) will
18 offer CLECs subscriber listing information for the sole purpose of providing
19 Directory Assistance (DA) services to its end users.

20 A complete description of cost development can be found in the
21 Overview/Methodology sections of Schedule 2 & 3.

22 Q WHAT STUDIES ARE YOU PROVIDING IN CONNECTION WITH THE DAL?

23 Attached to my testimony are the Texas 1998-2000 Directory Assistance Listing
24 Long Run Incremental Cost Study (Schedule 1), and the Texas 1998-2000
25 Directory Assistance Listing Total Element Long Run Incremental Cost Study
26 (Schedule 2).

**DIRECT TESTIMONY
(ROBEY)**

1 Q. HOW WERE THE COSTS CONTAINED IN THESE STUDIES DEVELOPED?

2 A In these studies, costs have been developed per listing for the Initial Load and
3 the Daily updates.

4 The Initial Load represents all subscriber listings in the database for a selected
5 area provided one time.

6 The Daily Updates represent listing change information provided on a daily
7 basis.

8 It should be noted that neither study includes the appropriate allocations of
9 common costs.

10 A complete description of cost development can be found in the
11 Overview/Methodology sections of Schedule 2 & 3.

12 Q. WERE THE TEXAS 1998-2000 DIRECTORY ASSISTANCE LISTING LONG
13 RUN INCREMENTAL COST STUDY (SCHEDULE 2) COSTS DEVELOPED
14 FOLLOWING THE REQUIREMENTS OF SUBSTANTIVE RULE §23.91?

15 A. Yes.

16 Q. WERE THE TEXAS 1998-2000 DIRECTORY ASSISTANCE TOTAL LONG
17 RUN INCREMENTAL COST STUDY (SCHEDULE 3) COSTS DEVELOPED
18 FOLLOWING THE MEGA-ARBITRATION AWARD?

19 A. Yes.

20 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

21 A. Yes.

**SCHEDULE 1
(ROBEY)****TEXAS****1998-2000****DIRECTORY ASSISTANCE LISTING****LONG RUN INCREMENTAL COST STUDY****OVERVIEW/METHODOLOGY****PURPOSE**

The purpose of this cost study is to identify the cost associated with providing subscriber listing information to Competitive Local Exchange Carriers (CLECs).

SERVICE DESCRIPTION

Directory Assistance Listings (DAL) is a service whereby Southwestern Bell (SWBT) will offer CLECs subscriber listing information for the sole purpose of providing Directory Assistance (DA) services to its end users. The Initial Load (all subscriber listings in the database for a selected area provided one time) will be provided via magnetic tape and, the Daily Updates (listing change information provided on a daily basis) which can be provided via electronic file transfer or on a magnetic tape. The study was developed using a 1998-2000 planning period.

METHODOLOGY

This study identifies the nonrecurring and recurring costs for DAL. These costs, stated on a "per listing" basis includes the costs associated with the labor effort and the data processing needed to provide DAL to CLECs.

**SCHEDULE 1
(ROBEY)****Nonrecurring Costs (Initial Load)**

Nonrecurring costs include labor, data processing, tape and mailing costs associated with providing a subscriber listing to a CLEC.

Labor Cost

The following activities were identified in determining the labor cost associated with sending the initial load of subscriber information to the CLEC:

- Negotiate Directory Assistance Listing (DAL) Agreement
- Obtain Agreement Signatures
- Implement Agreement: Establish Testing Schedule, Test File Requirements
- Data Extract Test File Via DPG
- Data Center: Run Programs
- Transmit Test File to Vendor via magnetic tapes
- Test Review Coordination
- Implement Agreement: Establish Live File Schedule, Live File Requirements
- Data Extract Live File Via DPG
- Data Center: Run Programs, DPG, EH725, EH956
- Transmit final DAL File to Vendor via magnetic tapes
- Billing: One time WSF2 Table Addition to add new customers
- Cost Study Development, Review.

The labor costs were developed (separately for each activity) by multiplying the labor hours for each activity by the appropriate hourly labor rate.

**SCHEDULE 1
(ROBEY)***Data Processing Cost*

Data processing costs identified include the Central Processing Unit (CPU) and Execute Channel Program (EXCP) costs associated with running the programs (listed below) necessary to provide the initial load of listing information to the CLECS.

- EH939
- DPG (Includes the ZD311, ZD311, ZD620 and the EH725)

The average number of CPU seconds was multiplied by the CPU "cost per second" to arrive at CPU cost per run. This cost was then divided by the average requested number of listings to produce a CPU cost per listing. The cost per listing was multiplied by the actual number of listings in the database to arrive at the total CPU cost for processing the initial load of subscriber information. The EXCP cost per run was developed by multiplying the "cost per EXCP" by the average number of EXCP. This cost was then divided by the average number of listings to produce the EXCP cost per listing. The cost per listing was multiplied by the average requested number of listings in the database to arrive at the total EXCP cost for processing the initial load of subscriber information.

Note: The EXCP equates to any data set that is read in or written out.

Movement on the head on a disk pack. The cost per EXCP includes costs associated with the Direct Access Storage Device (DASD).

Tape and Mailing Cost

Initial load takes approximately 18 tapes per set. The vendor receives a test file set of tapes and the final load set of tapes. It is assumed that these tapes are mailed to one location for each CLEC.

**SCHEDULE 1
(ROBEY)***Data Processing Cost*

Data processing costs identified include the Central Processing Unit (CPU) and Execute Channel Program (EXCP) costs associated with running the programs (listed below) necessary to provide the initial load of listing information to the CLECS.

- EH939
- DPG (includes the ZD311, ZD311, ZD620 and the EH725)

The average number of CPU seconds was multiplied by the CPU "cost per second" to arrive at CPU cost per run. This cost was then divided by the average requested number of listings to produce a CPU cost per listing. The cost per listing was multiplied by the actual number of listings in the database to arrive at the total CPU cost for processing the initial load of subscriber information. The EXCP cost per run was developed by multiplying the "cost per EXCP" by the average number of EXCP. This cost was then divided by the average number of listings to produce the EXCP cost per listing. The cost per listing was multiplied by the average requested number of listings in the database to arrive at the total EXCP cost for processing the initial load of subscriber information.

Note: The EXCP equates to any data set that is read in or written out.

Movement on the head on a disk pack. The cost per EXCP includes costs associated with the Direct Access Storage Device (DASD).

Tape and Mailing Cost

Initial load takes approximately 18 tapes per set. The vendor receives a test file set of tapes and the final load set of tapes. It is assumed that these tapes are mailed to one location for each CLEC.

**SCHEDULE 1
(ROBEY)**

It was assumed that there would be one tape per day for daily updates mailed to one location for each CLEC.

Total Nonrecurring Cost (Initial Load)

The labor, CPU, EXCP, tape and mailing costs were summed and divided by the average requested number of listings in the database to produce the cost per listing. A Commission Assessment Factor and a Levelized Inflation Factor (reflecting planning period) were then applied to arrive at total cost per listing.

Recurring Costs (Daily Updates)

Recurring costs include labor and data processing costs associated with providing a subscriber listing to a CLEC on a daily basis. If updates are to be sent to vendor via tape, costs for tape and mailing are included.

Labor Cost

The following activities were identified in determining the labor cost associated with sending daily updates of subscriber information to the CLEC:

- Daily Transmission Updates
- Billing

The labor costs were developed (separately for each activity) by multiplying the labor hours for each activity by the appropriate hourly labor rate.

Note: Billing is done once a month so the activity hours reported were divided by the typical number of days in a month.

**SCHEDULE 1
(ROBEY)*****Data Processing Cost***

Data processing costs identified include the CPU and EXCP costs associated with running the program necessary to provide the daily updates of listing information to the CLECS.

The CPU and EXCP costs per listing were developed the same way that they were developed for the Initial load. However, to produce the total CPU and EXCP costs associated with the program run, the total CPU and EXCP costs were multiplied (separately) by the average number of daily update listings.

Tape Cost and Mailing Cost

See "Tape and Mailing Cost" under "Nonrecurring Cost"

Total Recurring Cost (Daily Updates)

The labor, CPU, EXCP, tape and mailing costs were summed and divided by the average requested number of daily listings to produce the cost per listing. A Commission Assessment Factor and a Levelized Inflation Factor (reflecting planning period) were then applied to arrive at total cost per listing.

**SCHEDULE 1
(ROBEY)****TEXAS
1998-2000
DIRECTORY ASSISTANCE LISTING
LONG RUN INCREMENTAL COST STUDY****RESULTS****TOTAL COST PER LISTING**

- INITIAL LOAD VIA TAPES	\$0.0066
- DAILY UPDATE	
- VIA ELECTRONIC FILE TRANSFER	\$0.0019
- VIA TAPE	\$0.0027

**SCHEDULE 2
(LINDA L. ROBEY)****TEXAS
1998-2000****DIRECTORY ASSISTANCE LISTING****TOTAL ELEMENT LONG RUN INCREMENTAL COST STUDY****OVERVIEW/METHODOLOGY****PURPOSE**

The purpose of this cost study is to identify the cost associated with providing subscriber listing information to Competitive Local Exchange Carriers (CLECs).

SERVICE DESCRIPTION

Directory Assistance Listings (DAL) is a service whereby Southwestern Bell (SWBT) will offer CLECs subscriber listing information for the sole purpose of providing Directory Assistance (DA) services to its end users. The Initial Load (all subscriber listings in the database for a selected area provided one time) will be provided via magnetic tape and, the Daily Updates (listing change information provided on a daily basis) which can be provided via electronic file transfer or on a magnetic tape. The study was developed using a 1998-2000 planning period.

METHODOLOGY

This study identifies the nonrecurring and recurring costs for DAL. These costs, stated on a "per listing" basis includes the costs associated with the labor effort and the data processing needed to provide DAL to CLECs.

**SCHEDULE 2
(LINDA L. ROBEY)****Nonrecurring Costs (Initial Load)**

Nonrecurring costs include labor, data processing, tape and mailing costs associated with providing a subscriber listing to a CLEC.

Labor Cost

The following activities were identified in determining the labor cost associated with sending the initial load of subscriber information to the CLEC:

- Negotiate Directory Assistance Listing (DAL) Agreement
- Obtain Agreement Signatures
- Implement Agreement: Establish Testing Schedule, Test File Requirements
- Data Extract Test File Via DPG
- Data Center: Run Programs
- Transmit Test File to Vendor via magnetic tapes
- Test Review Coordination
- Implement Agreement: Establish Live File Schedule, Live File Requirements
- Data Extract Live File Via DPG
- Data Center: Run Programs, DPG, EH725, EH956
- Transmit final DAL File to Vendor via magnetic tapes
- Billing: One time WSF2 Table Addition to add new customers
- Cost Study Development, Review.

The labor costs were developed (separately for each activity) by multiplying the labor hours for each activity by the appropriate hourly labor rate.

**SCHEDULE 2
(LINDA L. ROBEY)*****Data Processing Cost***

Data processing costs identified include the Central Processing Unit (CPU) and Execute Channel Program (EXCP) costs associated with running the programs (listed below) necessary to provide the initial load of listing information to the CLECS.

- EH939
- DPG (Includes the ZD311, ZD311, ZD620 and the EH725)

The average number of CPU seconds was multiplied by the CPU "cost per second" to arrive at CPU cost per run. This cost was then divided by the average requested number of listings to produce a CPU cost per listing. The cost per listing was multiplied by the actual number of listings in the database to arrive at the total CPU cost for processing the initial load of subscriber information. The EXCP cost per run was developed by multiplying the "cost per EXCP" by the average number of EXCP. This cost was then divided by the average number of listings to produce the EXCP cost per listing. The cost per listing was multiplied by the average requested number of listings in the database to arrive at the total EXCP cost for processing the initial load of subscriber information.

Note: The EXCP equates to any data set that is read in or written out.

Movement on the head on a disk pack. The cost per EXCP includes costs associated with the Direct Access Storage Device (DASD).

Tape and Mailing Cost

Initial load takes approximately 18 tapes per set. The vendor receives a test file set of tapes and the final load set of tapes. It is assumed that these tapes are mailed to one location for each CLEC.

**SCHEDULE 2
(LINDA L. ROBEY)**

It was assumed that there would be one tape per day for daily updates mailed to one location for each CLEC.

Total Nonrecurring Cost (Initial Load)

The labor, CPU, EXCP, tape and mailing costs were summed and divided by the average requested number of listings in the database to produce the cost per listing. A Commission Assessment Factor and a Levelized Inflation Factor (reflecting planning period) were then applied to arrive at total cost per listing.

Recurring Costs (Daily Updates)

Recurring costs include labor and data processing costs associated with providing a subscriber listing to a CLEC on a daily basis. If updates are to be sent to vendor via tape, costs for tape and mailing are included.

Labor Cost

The following activities were identified in determining the labor cost associated with sending daily updates of subscriber information to the CLEC:

- Daily Transmission Updates
- Billing

The labor costs were developed (separately for each activity) by multiplying the labor hours for each activity by the appropriate hourly labor rate.

Note: Billing is done once a month so the activity hours reported were divided by the typical number of days in a month.

**SCHEDULE 2
(LINDA L. ROBEY)*****Data Processing Cost***

Data processing costs identified include the CPU and EXCP costs associated with running the program necessary to provide the daily updates of listing information to the CLECS.

The CPU and EXCP costs per listing were developed the same way that they were developed for the initial load. However, to produce the total CPU and EXCP costs associated with the program run, the total CPU and EXCP costs were multiplied (separately) by the average number of daily update listings.

Tape Cost and Mailing Cost

See "Tape and Mailing Cost" under "Nonrecurring Cost"

Total Recurring Cost (Daily Updates)

The labor, CPU, EXCP, tape and mailing costs were summed and divided by the average requested number of daily listings to produce the cost per listing. A Commission Assessment Factor and a Levelized Inflation Factor (reflecting planning period) were then applied to arrive at total cost per listing.

**SCHEDULE 2
(LINDA L. ROBEY)****TEXAS
1998-2000****DIRECTORY ASSISTANCE LISTING
TOTAL ELEMENT LONG RUN INCREMENTAL COST STUDY****RESULTS****TOTAL COST PER LISTING**

- INITIAL LOAD VIA TAPES	\$0.0064
- DAILY UPDATE	
- VIA ELECTRONIC FILE TRANSFER	\$0.0019
- VIA TAPE	\$0.0026

CERTIFICATE OF SERVICE

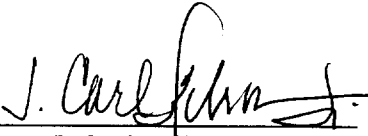
I hereby certify that a true and correct copy of the foregoing was served, this 13th day of
October, 1999, hand-delivery, on the following:

Magalie Roman Salas
Secretary
Federal Communications Commission
445-12th Street, S.W., TW B204
Washington, DC 20554

Judy Boley
Federal Communications Commission
445-12th Street, S.W., Room 1-C804
Washington, DC 20554

Virginia Huth *
OMB Desk Officer, 10236 NEOB
725-17th Street, N.W.
Washington, DC 20503

International Transcription Service, Inc.
1231 20th Street, N.W.
Washington, DC 20036



J. Carl Wilson, Jr.

* Service made via regular mail and electronic mail